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UNCLAS SECTION 01 OF 05 SAO PAULO 000958

SIPDIS

SENSITIVE  
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STATE FOR WHA/BSC, WHA/PDA AND DRL  
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TAGS: [ELAB](#) [EAGR](#) [EIND](#) [PHUM](#) [SOCI](#) [KTIP](#) [BR](#)  
SUBJECT: FORCED LABOR IN BRAZIL: URBAN MYTH OR RURAL REALITY?

SENSITIVE BUT UNCLASSIFIED - PLEASE PROTECT ACCORDINGLY

Summary  
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1. (SBU) Recent reports in the Brazilian media have focused on the question of forced labor in Brazil and whether or not the GOB is doing enough to combat poor labor conditions in the country. Some observers question whether forced labor exists in Brazil at all but harsh working conditions are clearly widespread in some elements of agriculture and some types of manufacturing such as textiles. While the Ministry of Labor created inspection teams in 1995 to look into alleged cases of forced labor, their overall efficacy is difficult to assess as the problem persists at comparable levels to when these teams were instituted. Regardless of GOB efforts to combat forced labor, vested interests, public apathy, and a lack of reliable information have impeded progress on this issue. End Summary.

Agricultural Forced Labor  
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2. (SBU) Leonardo Sakamoto, Coordinator of Reporter Brasil, the largest organization combating forced labor in Brazil, told Poloff that out of approximately 17 million farmers and rural workers in Brazil, there are more than 100,000 forced laborers. Sakamoto admitted that the number of forced workers involved in agriculture is hard to pin down, highlighting that an organization with which he cooperates closely, the Pastoral Land Commission, cited a figure of 25,000 "slave laborers" in the Amazon region alone. (Note: The GOB and the International Labor Organization (ILO) have cited this number as well but in reference to the whole of Brazil. In short, there are no reliable figures available. End Note.) He added that Brazil's forced labor is largely manifested through debt bondage. Workers are forced to repay inflated debts for transportation, lodging, and food costs. Sakamoto explained that the conditions for forced labor in Brazil are similar to those found throughout the world. Forced laborers work in miserable and unsanitary conditions with little or no food and shelter for minimal, if any, remuneration. However, though uncommon, Reporter Brasil has found some rare cases in which workers were actually held in physical bondage which might constitute true slave labor. Sakamoto cited the

case of an individual who was "enslaved" for 17 years, though he added that "slave labor" such as this is not a common phenomenon in Brazil.

13. (SBU) Sakamoto said that small farmers do not normally employ forced labor; it is more commonly found in larger family-run farms or agricultural companies. He discussed a large research program funded with the help of the USG, ILO, and private industry that found that 62 percent of forced laborers work in cattle-raising, (Note: The Ministry of Labor claims 80 percent. End Note.), 12 percent in coal mining, and another 13 percent in agriculture such as soy (5.2 percent), cotton (4.7 percent), and corn (3.1 percent) production. While admitting that forced labor occurs within cities and on the periphery of metropolitan areas as well, Sakamoto emphasized that it is most commonly found in remote locations that are on the edge of the economic frontier. Sakamoto further explained that the reason forced labor is not often seen in the interior of the Amazon is due to the low level of organized economic activity there. When looking at the Amazon's periphery, where economic activity is increasing due to illegal logging and cattle-ranching, forced labor is a more common trend. Reporter Brasil's investigations have also found that many of the large corporations that have employed forced laborers export their products, including to the United States.

14. (SBU) Caio Magri, Partnership Manager for the Ethos Institute, which brings together businesses and civil society to research and promote social development, emphasized that there should be no doubt about the existence of slave labor in Brazil. According to Magri, who coordinates the institute's efforts on Brazil's National Plan for the Eradication of Slave Labor, serious violations of human rights and labor laws are widespread throughout Brazil. Magri said that rural employers isolate their laborers in areas not accessible

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to public transportation and surround enclaves with armed security. Since this prevents laborers from escaping, they are in fact slaves, even if they are not an owner's legal property. Similar to when slavery was actually legal in Brazil, today's slaves receive only enough food and shelter to keep them alive and working, he said.

#### Agriculture Working Conditions

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15. (SBU) Sao Paulo State Federation of Workers in Agriculture (FETAESP) President Braz Albertini said that while working conditions in the countryside are extremely difficult, he would not characterize agricultural labor, at least in Sao Paulo State, as "forced" or "slave." According to Albertini, it is possible that "slave labor" exists in some parts of Brazil but that he would relegate it to the northeastern and poorer regions of the country. The Sao Paulo State Government is actively engaged in inspecting farms across the state in order to make sure forced labor is not occurring, he said. He stated that there is no doubt that agricultural work, as exemplified by sugar cane production, is tiresome, strenuous and exhausting, but that this is the case in rural labor all over the world. Many migrants come from Brazil's northeast to work in Sao Paulo State because as hard as life is in Sao Paulo, the conditions are significantly better than in the northeast. Albertini further stated that most of the complaints regarding forced labor come from what he characterized as radical leftists or disenchanted groups whose members have not experienced even a day working in the countryside. Admitting that some of these organizations' calls for better living conditions, health insurance and educational opportunities for agricultural workers are valid, Albertini noted that FETAESP is working hard to increase farmers' wages, find employment for displaced agricultural workers and develop vocational courses for field hands during fallow periods.

16. (SBU) Luiz Bassegio and Luciane Udovic, two forced labor experts from the Brazilian human rights organization, Cry of the Excluded, noted in a recent press interview that due to high unemployment rates in the northeast, many people from the region are forced to pursue any employment available, even if it means horrible working conditions. According to their studies the northeastern and northern states of Maranhao, Piaui and Tocantins are the three

principal sources of forced labor, and the states of Para and Mato Grosso are the largest receiving states.

#### Not Just a Labor Issue

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17. (SBU) Sakamoto stated that forced labor in Brazil is an "interdisciplinary crime" because not only does it directly impact workers' rights but also violates other laws. For example, since workers are made to cut down trees in protected areas, they are forced to break environmental regulations. Employers do not pay their subordinates, thereby violating social security protections and the requirement to provide health coverage. Labor bosses do not allow forced laborers to express their demands or organize in contravention of constitutional freedoms of association, assembly, and expression. Father Ricardo Rezende Figueira, a member of the slave labor research group at the Federal University of Rio de Janeiro, noted that forced labor has international commercial and trade law implications because goods produced, planted or harvested with forced labor in one country are often sold in another.

#### Bolivian Textile Workers in Sao Paulo

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18. (SBU) While the focus of efforts against forced labor is largely carried out in agricultural areas, the issue is of potentially serious concern in the cities as well. In Sao Paulo, there is some evidence that forced labor is taking place in the textile industry, where many illegal Bolivian immigrants find employment in garment sweatshops, Sakamoto said. Bassegio and Udovic estimate that between 150,000-200,000 undocumented Bolivians are living in Sao Paulo. The Sao Paulo mayor's office generally uses the 200,000 figure, and claims that many work as unlicensed street vendors of

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pirated merchandise. According to labor specialists, more than 90 percent of these Bolivians work in small textile factories and are paid less than minimum wage for piece work in these factories. Bassegio and Udovic believe that these Bolivians, who work up to eighteen hours a day in dark and totally unsanitary conditions, do not denounce their employers or complain about their working situation out of fear that they will be forced to return to Bolivia.

19. (SBU) Father Mario Geremia, Coordinator of the Pastoral Center of the Migrant, presented an opposing view of the situation. Father Geremia defined Bolivian working conditions as the "exploitation of labor" instead of "slave" or even "forced" labor. According to Father Geremia, who directs a church and shelter for hundreds of Bolivians and other South Americans who seek employment in Sao Paulo, the textile workers are not slaves because they can leave whenever they wish. They choose to stay because conditions under which they work in Sao Paulo are significantly better than those they would have in Bolivia. He mentioned that trafficking in persons does become an issue because "coyotes" work across the border to bring in Bolivians and other South American workers. (Comment: Caio Magri from the Ethos Institute also raised the issue of trafficking in persons and highlighted that not only are poor work conditions unlawful under labor laws, but that the practice of forced labor promotes illegal immigration. End Comment.) Describing his visits to dozens of small textile producers, Father Geremia said that while not "slave labor," the work is in "slave-like" environments in which the employees work and live in the same facilities. Father Geremia lamented that these small sweat shops produce piece work for large Brazilian companies and that these businesses are disinterested in knowing the working conditions of the employees of their subcontractors.

#### So What is the Government Doing?

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10. (SBU) According to Sakamoto, Brazil began taking action against forced labor during Fernando Henrique Cardoso's (FHC) presidency (1995-2002). FHC issued an executive order banning forced labor and creating a unit within the Ministry of Labor (MOL) to monitor and fight against slave labor. Cardoso's successor and a former union

leader, President Lula, moved further, launching the National Plan for the Eradication of Slave Labor and taking concrete steps to maintain an active dialogue with activists fighting against forced labor. Lula declared combat against forced labor a state priority and allocated funding to fight against the practice. Sakamoto added that FHC was limited in taking large-scale action during his administration because his principal supporters came from the business community and some of these included major violators of labor rights.

¶11. (SBU) Sakamoto noted that one government entity that has remained cool on forced labor issues regardless of who governs is Itamaraty, Brazil's Foreign Ministry. Sakamoto charged that Itamaraty believes his organization exaggerates the problem in Brazil and tarnishes the country's overseas image. While Sakamoto's comments about Itamaraty rang true until very recently, there are indications that the Foreign Ministry's approach to the issue, if not its attitude, may be changing. Recently, Itamaraty organized and hosted a major national conference on trafficking in persons (TIP), an issue closely connected to forced labor. Representatives from the 14 GOB ministries and agencies involved in combating TIP, their counterparts from international organizations (the ILO and United Nations Office on Drugs and Crime) and civil society gathered at the meeting, where Sakamoto was one of the NGO presenters. Foreign Minister Celso Amorim opened the conference and was joined on the dais by the Minister of Justice, the Chief Justice of the Supreme Court, and the cabinet level Secretaries for Human Rights and Women's Issues. The two-day conference, which was open to the press, was meant to demonstrate the GOB's commitment to combating TIP in all its forms and its efforts to comply with international agreements such as the Palermo Protocol, which it ratified in 2004. While Itamaraty remains sensitive to outside scrutiny of the slave labor situation in Brazil, it is now at least willing to admit to

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other governments that the problem exists and to fulfill its role within the framework of the recently drafted National Plan to Combat TIP.

¶12. (SBU) The National Plan to Eradicate Slave Labor has had many successes and the ILO sees the 2004 creation of a "dirty list" of companies and individuals that employ "slave labor" as a major achievement in getting Brazil to admit the reality of the problem. Each year, the GOB publishes a list of companies and individuals that the MOL alleges employ some form of forced labor. Should a company or individual appear on the list, the Ministry of National Integration must suspend their access to all public lines of credit, private lenders are encouraged to review the list online and deny credit to the violator, and the business faces heavy fines. If a company improves its performance over a two-year period based on MOL requirements and pays all government-imposed fines and labor and welfare debts to the workers, the GOB will remove it from the list. However, according to Father Figueira, one of the main obstacles in punishing perpetrators of forced labor is the public standing of many of the employers. Father Figueira said that prominent politicians ranging from mayors of small towns to Members of Congress are either directly involved in or have a personal commercial interest in maintaining forced labor. One of the ways they avoid being held accountable for the crime is by residing in locales far from the work sites.

#### Additional Challenges to Government Efforts

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¶13. (SBU) The MOL task forces created by the National Plan to Eradicate Slave Labor have not always succeeded. For example, a MOL task force sent to inspect several rural work sites went on strike because of alleged Senate interference into their work. While the task force found and released hundreds of slave laborers in northern Brazil several months ago (1108 laborers in one large ethanol producer alone in Para State in July), landowners and plant operators fought back. Accusing the inspectors of interfering in the farm's work, the owners rallied a group of senators to create a separate special commission to investigate the case and visit the farm. The MOL inspectors considered the senators' action to be an obstruction of their mandate and, in protest, Secretary for Labor

Inspections Ruth Vilela decided to terminate the teams' investigations in September. The forced labor task force went back to work in early October after the MOL struck a deal with a Brasilia-based NGO. (Note: Under the agreement, the NGO would provide legal support and assistance for the labor task force should it face Senate accusations and possible legal or legislative action against the mobile teams. End Note.) Regardless of the deal, the Senate's special commission is still hearing arguments in the case of the ethanol producer in Para.

¶14. (SBU) A lack of movement on legislation is also preventing progress on combating labor abuses. Proposed Constitutional Amendment 438-1001, which relates to government confiscation of property in cases where slave labor occurs, was approved twice in the Senate in 2003, in the Chamber of Deputies in 2004 on the first of a necessary two rounds, and is back in the Senate after revisions in the Chamber bill. However, because Congress has taken no action since 2004, the bill has now returned to its draft phase and both chambers must approve it again. According to Reporter Brasil, politicians linked to businesses that employ forced labor have blocked the amendment and will continue to prevent its passage. Caio Magri accused farmers who employ slave labor of financing outright the campaigns of friendly politicians, or at least giving large amounts of money to "buy off" legislators to vote against anti-slave labor legislation. Whether true or not, members of the Bancada Rural, an informal, but powerful caucus composed of members of Congress representing the large agricultural states, have shown no inclination to pass anti-slave labor legislation.

Comment  
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¶15. (SBU) Regardless of how forced labor is defined and whether or  
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not slavery indeed exists in modern Brazil, serious issues pertaining to workers' rights and conditions remain cause for concern. Many of our contacts told us that the Brazilian media is doing its best to highlight the existence of forced labor in order to raise public awareness of the issue. The near-exponential increase in the number of articles appearing on the issue in the last couple of years tends to support their contention. These activists add, however, that until better-informed communities take action as a whole, workers' conditions across the country will not improve. Post will continue to monitor GOB efforts to combat forced labor as part of efforts towards the Human Rights and Trafficking in Persons Reports. End Comment.

¶16. (U) This cable was cleared by Embassy Brasilia.

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